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FISCAL IMPACT STATEMENT

LS 7250

BILL NUMBER: HB 1561

NOTE PREPARED: Jan 8, 2011

BILL AMENDED:

SUBJECT: Conditions for Receiving Unemployment Benefits.

FIRST AUTHOR: Rep. McMillin

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☒ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill requires that an individual must submit at least one application for work in each week for which the individual is claiming benefits. It specifies that an individual who submits an application for work online through an Internet web site complies with this requirement.

The bill requires, as a condition for receiving an unemployment insurance benefit each week after the fourth benefit week, that an unemployed individual must be available to perform, and perform if requested by the Department of Workforce Development, community service for a qualified entity. It provides that the maximum number of hours of community service increases as follows: for the 5th through 12th benefit weeks, 10 hours; for the 13th through 24th benefit weeks, 20 hours; and for the 25th and later benefit weeks, 40 hours. The bill also provides that a qualified entity may not replace employees with unemployed individuals performing community service.

Effective Date: July 1, 2011.

Explanation of State Expenditures: The impact on the state would be as an employer and also as the administrator of the Unemployment Trust Fund.

Employer Impact: The impact on the state as an employer would probably be minor. The state paid about \$4.6 M in FY 2010, \$4.1 M in FY 2009, and \$4.1 M in FY 2008 to the Unemployment Insurance Trust Fund as an employer.

Trust Fund Impact: The possible savings due to the one application each week is probably minor. The current job search as required by the Claimant Handbook requires:

- At minimum, the claimant must submit one application a week and look for work at two additional locations. List the company they applied to first, followed by the two locations where they looked for work. These must be places they searched for work this week.
- Membership in a union hiring hall fulfills the work-search requirements, thus individuals who are part of a union hiring hall do not need to separately apply for one job per week and look for work at two additional locations.
- If the claimant has been temporarily laid off and has a return-to-work date within 60 days of their claim filing, they do not need to apply for one job per week and look for work at two additional locations. If the layoff is more than 60 days, they must complete the weekly application and work search.

See, also, *Explanation of Local Expenditures* regarding community service.

Explanation of State Revenues:

Explanation of Local Expenditures: *Employer Impact:* The impact on the locals as an employer would probably be minor.

Community Service: The requirement that unemployment recipients after four weeks provide community service should reduce some local expenditures. Local units can not replace employees with unemployed individuals performing community service, but might be able to provide better service or implement new programs. Community service includes works for the state, political subdivisions, or nonprofit organizations in areas such as education, public safety, social services, health, and the environment.

Explanation of Local Revenues:

State Agencies Affected: Department of Workforce Development.

Local Agencies Affected: Local units.

Information Sources: Claimant Handbook, http://www.in.gov/dwd/files/Claimant-Handbook_Jan-2010.pdf

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